



CORPORATE OFFICE  
PROPERTIES TRUST

## **MEMORANDUM**

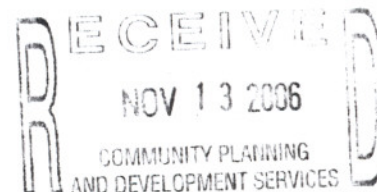
**To:** Scott Ullery, City Manager, City of Rockville

**From:** Sean Moore

**cc:** Peter Garver  
Art Chambers  
Barbara Sears

**Date:** November 9, 2006

**Re:** Rockville Corporate Center Development Creative Options



This memo outlines the development options that Corporate Office Properties Trust (COPT) has studied in conjunction with input from city officials and staff, based on the City's request to maximize the forested buffer area to the north of the Rockville Corporate site on West Gude Drive.

### **Development History**

COPT is the owner of the two-building complex housing Celera Corporation at 15 and 45 West Gude Drive located on an approximate 24.2317-acre parcel ("Property"). The site was an approved use permit, U-279-83 ("Use Permit"), which allows a total of 436,655 SF of space in four buildings to be developed. Prior to purchasing the Property, COPT confirmed with the City that the Use Permit to permit the construction of the two remaining buildings was valid and could be implemented. In reliance on this confirmation, COPT purchased the Property on April 7, 2005. The Use Permit includes a 20-foot parking setback from the property line on the northern edge of the Property and a 100-foot building setback from the property line. In an effort to be responsive to the desire of certain new residents of King Farm to preserve additional trees at the northern edge of the Property (the "Northern Area"), COPT worked with City staff and neighbors and proposed changes to the Use Permit and filed for a Use Permit Amendment on June 16, 2006 (the "Amendment") to increase the tree buffer in the Northern Area. The Amendment would increase the tree buffer by 75% (from a 20' setback to a 35' setback), reduce the number of parking spaces, delete compact parking, and require minor shifts in building footprint to facilitate these changes. Since filing for the Amendment, COPT has met with City staff and elected officials to address continued concerns about the effects of this development on the Property's existing forested area. In this regard, COPT was asked to be creative in evaluating solutions that would save a larger forested area in the Northern Area. We feel that Scheme "B" (attached) provides a creative option that results in maintaining a large forested area in

the Northern Area while maintaining the approved development density under the Use Permit.

#### Creative Approaches and Creative Solutions

As indicated, COPT was asked by City staff to consider creative solutions, whether permitted by the zoning ordinance or not, that would maximize the number of trees that could be saved in the forested area abutting the residences in the Northern Area. The chart below summarizes the suggestions from staff and our actions. Further back-up data to this summary is contained later in this Memorandum.

<b>City Staff Suggestion</b>	<b>Application/Result</b>
1. Construct a parking structure or deck	The cost of a structured garage or deck parking is not economically feasible. Please see additional analysis below.
2. Park under the buildings	Parking under the buildings is more expensive and less efficient than a structure. It would also create additional height/setback problems.
3. Adjust building footprint sizes	Making the building's foot print smaller makes them taller and provides only slightly more area for parking/forest. We have incorporated a taller building only to the West, away from the residential neighborhoods
4. Go to a single building	A 216K SF building is not a feasible size for the market and is larger than COPT is willing to develop as a single building in this location.
5. Remove old growth trees in existing parking areas	Only 12 additional parking spaces are achieved by eliminating the island and parking in the SE parking lot.
6. Reduce the green areas and remove old growth trees around the building to increase parking areas.	We explored reconfiguring the only major green area around the south of the building and found we could only pick up a few spaces, we elected not to proceed with this suggestion because the change would greatly diminish the project image, and the expense of removing trees and adding retaining walls was not warranted.



City Staff Suggestion	Application/Result
7. Reduce the parking setback and remove some of the existing forest along the Gude Drive ROW.	We explored this, but based on the building locations we couldn't generate significantly more parking in this area.
8. Re-configure the existing parking lots to get longer runs, reduce islands, and generally become more efficient (even if parking lots exceed the allowable 150 spaces).	We explored this option. In the parking lot SE of the building, it does not successfully add parking because the existing parking spaces were compact spaces. It is successful in the Western Parking Lot when coupled with moving the building which we have incorporated in Scheme "B".
9. Eliminate the driveway connecting the East & West parking lots north of Building D	We explored this option, but found we could generate more parking by moving Building D West, which we have incorporated in Scheme "B".
10. Show parking in the former SWM area	We have also incorporated this idea in Scheme "B".
11. Relocate Buildings C & D	We explored moving the buildings to both the SE and SW ends of the site. The only option that seemed to generate more efficient parking lots and maintained a reasonable distribution of parking was to leave Bldg C where it was and move Bldg D West, which we have incorporated in Scheme "B".

Additionally, COPT challenged our Development Team to develop creative ideas. The chart below outlines suggestions from Development Team that were different from the city staff ideas and our actions.

Development Team Suggestion	Application/Result
A. Reduce typical parking space width from 9'-0" to 8'-6" (consistent with Mont Co standards)	This generated approximately 100 additional parking spaces without increasing the impervious area of the site. This allows approximately 30,000 SF of forest area to be preserved in the Northern Area.
B. Relocate building D west.	Moving Building D allowed us to create a more efficient parking layout and maximize the size of the forest area to be preserved in the Northern Area.
C. Construct the remaining two office structures as LEED-Certified Silver Buildings.	Further environmental goals of the City.

### Structured Parking

COPT has reviewed different options for incorporating structured parking (including deck parking) on site. Structured parking is not a cost effective option for this site based on our cost basis and approved density. COPT's purchase price and reasonable investment-backed expectations were based on the Use Permit as confirmed by the City. This Use Permit allows two additional buildings with surface parking.

The chart below shows the cost premium for developing structured parking on site at a parking ratio of 3.4/1,000. This lower ratio is the ratio that we used in our Amendment and is significantly below our corporate standard of 4.0/1,000 GSF. Structured parking would add a premium of \$3.9 million for a 300-car structure. COPT cannot construct an economically viable project with this additional cost.

Plan	Surface		Total	Structure		Total Cost	GSF Cost	Structure	Premium	Premium
	Spaces	Deck		Surface Cost	Cost	Land & Parking	Land & Parking			
All Surface	1485	0	1485	\$ 2,970,000	\$ -	\$ 9,971,064	\$ 46.26	\$ -	\$ -	
300 Car Deck	1185	300	1485	\$ 2,370,000	\$ 4,500,000	\$ 13,871,064	\$ 64.35	\$ 3,900,000	\$ 18.09	39%
500 Car Deck	985	500	1485	\$ 1,970,000	\$ 7,500,000	\$ 16,471,064	\$ 76.41	\$ 6,500,000	\$ 30.16	65%

### COPT Rockville Alternative Plans and Comparative Statistics

Attached to this memo and summarized in the table below, are four exhibits that show four development plans for the Property: (1) Approved Use Permit, (2) Proposed Amended Use Permit, (3) Scheme "B" (8'-6" wide and 18' long parking spaces) and (4) Scheme "B2" (with 9'-wide and 18'-long parking spaces). COPT believes Scheme "B" (Exhibit "4") best meets the goals of all constituencies by preserving a large forest buffer while balancing COPT's rights under the approved use permit.



Plan	Total Spaces	Parking Ratio	North Area Preserved Buffer SF	% Additional Buffer vs. Approved Plan	Buffer Min Width	Buffer Max Width	Disturbed Area	Disturbed %
Approved Use Permit	1574	3.60	34,000		20	85.00	9.13	38%
Submitted Amendment	1495	3.42	47,000	138%	35	85.00	8.757	36%
Scheme "B" with 8" 6" spaces	1485	3.40	112,000	329%	50	205.00	10.42	43%
Scheme "B2" with 9" spaces	1485	3.40	82,000	241%	50	150.00	11.1	46%

### Scheme "B"

Scheme "B" presents an opportunity for the City of Rockville and COPT to creatively address concerns and fine tune an approved project while maintaining the project's value for the Owner. COPT listened to the charge to be creative and the plan reflects the following concessions:

- Reduced parking ratio of 3.4/1,000 versus the approved 3.6/1,000 and our standard of 4/1,000.
- Creation of a 2.5+-acre forested buffer in the Northern Area which represents a 329% increase over the Use Permit and 40% of the on-site tree area.
- Use of 8'-6" wide parking spaces for all on-site parking which are consistent with those in the abutting Montgomery County parking lots (we have eliminated the existing compact parking spaces). We note that using 8'-6" wide spaces allows there to be 6% of what would be asphalt parking lot devoted to forest (pervious surface).
- Relocation of Building D, which negatively impacts the on-site parking distribution.
- COPT would agree to pursue LEED Silver Certification for both new office buildings to assist in achieving the environmental visions of the City.

### Scheme "B" Approvals

In order for Scheme "B" to be implemented, the City would need to address the following issues:

1. All of the typical parking spaces are shown as 8'-6"-wide parking spaces. They should be 9'-0" per 25-411(a). A variance would need to be required. Granting the variance is central to making the scheme work.
2. Parking Areas: Per 25-411(f), there are some parking areas that exceed 150 spaces without landscaped buffers of 10'. A waiver would be required.
3. The City would need to abandon/release a portion of the on-site existing forest conservation easement on Gude Drive near the old stormwater management pond for additional site access to Gude Drive.
4. The City would need to abandon/release the existing on-site stormwater management easement in the southwest corner of the Property so that area can be used for parking.

5. The following additional variances would need to be granted: (1) for Building D, setback from Gude Drive: Building D is a five-story building that is 71' tall. Per 25-3111, Table II, the setback should be 213'. The building setback as proposed is only 100' from Gude Drive requiring a variance of 113' (the building setback is 260' from the NW property line so there are no height variances from the north required), and (2) for Building D, front setback: The building setback on Gude drive should be 150' per 25-3111, Table II (for residential abutting). The building setback is only 100' from Gude Drive, requiring a variance of 50'. These variances would need to be combined with the parking space size variance.
6. The approval process for the actions described above would need to be expedited and not impaired or delayed by the moratorium or any other City efforts. Seeking the variances noted above or amending the Use Permit to implement the above would also be without prejudice to COPT's right to implement the Use Permit if any of the necessary approvals are not granted.

### Summary

Scheme "B" best accomplishes the City's goals to preserve additional forest adjacent to the King Farm community as follows:

- Creation of a 2.5+-acre forested buffer, which represents a 329% increase versus the approved plan, maintains a contiguous forest area and provides a buffer between COPT's new development and the abutting residences to the North.
- Use of 8'-6" wide parking spaces has the added advantage of reducing impervious area by 6% across the site.
- COPT will agree to construct the two new office buildings as LEED Silver Certified buildings to the City.

### Attached Exhibits:

1. Approved Use Permit Plan
2. Submitted Amendment Plan
3. Scheme "B" Plan
4. Scheme "B2" Plan

This Memorandum is submitted for purposes of settlement of the existing issues being discussed with the City and is without prejudice to COPT's position that it may implement the Use Permit. Thank you for your consideration.

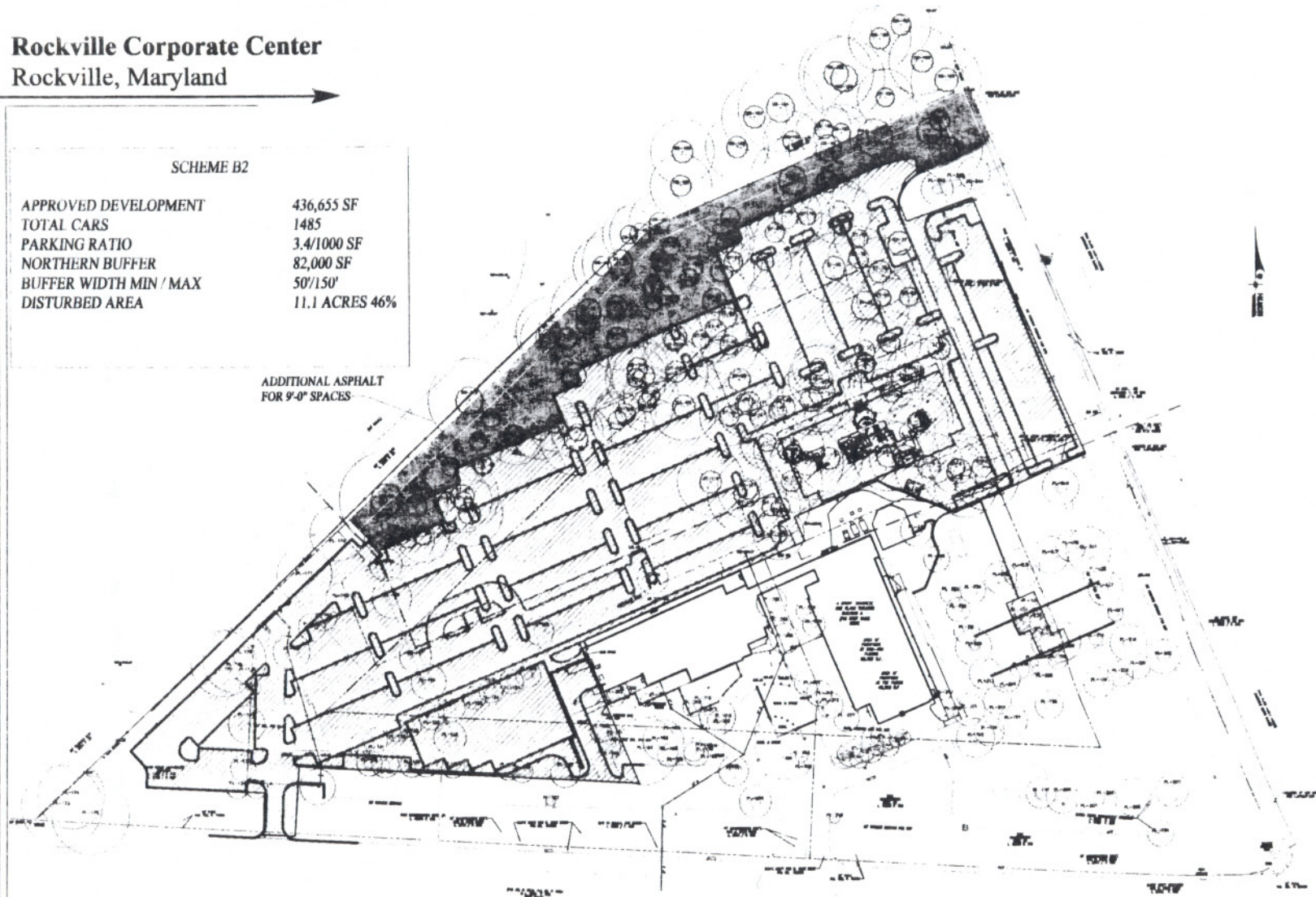


# Rockville Corporate Center Rockville, Maryland

## SCHEME B2

APPROVED DEVELOPMENT	436,655 SF
TOTAL CARS	1485
PARKING RATIO	3.4/1000 SF
NORTHERN BUFFER	82,000 SF
BUFFER WIDTH MIN / MAX	50'/150'
DISTURBED AREA	11.1 ACRES 46%

ADDITIONAL ASPHALT  
FOR 9'-0" SPACES



Total cars 1,485  
=3.4/1000

SCHEME B2 1"=50'-0" ±  
9'-0" Parking Spaces

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11/6/2006

# Rockville Corporate Center Rockville, Maryland

## SCHEME B

APPROVED DEVELOPMENT	436,655 SF
TOTAL CARS	1485
PARKING RATIO	3.4/1000 SF
NORTHERN BUFFER	112,000 SF
BUFFER WIDTH MIN / MAX	50'/150'
DISTURBED AREA	10.42 ACRES 43%

Total cars 1,485  
=3.4/1000

SCHEME B=1"=50'-0"  
8'-6" Parking Spaces



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11/6/2006



SUBMITTED AMENDMENT PLAN	
APPROVED DEVELOPMENT	436,655 SF
TOTAL CARS	1495
PARKING RATIO	3.42/1000 SF
NORTHERN BUFFER	47,000 SF
BUFFER WIDTH MIN / MAX	35'/85'
DISTURBED AREA	8.757 ACRES 36%



SECURITY 21

**J.B.A.**  
Johnson • Bell • Ayso • Mac • Co

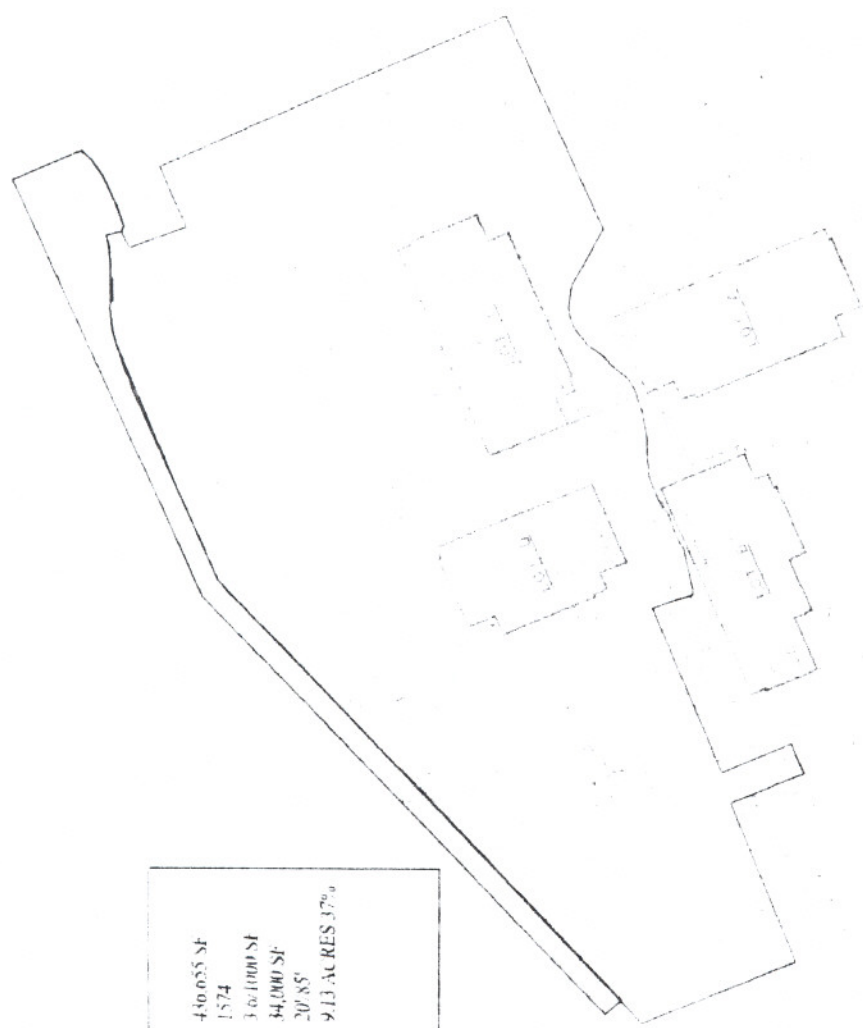
Engineering - Surveying - 5 (answ)

ROCKVILLE CORPORATE CENTER

CONSTITUTIONAL

11/6/2006

# LAND DEVELOPMENT



APPROVED DEVELOPMENT	
APPROVED DEVELOPMENT PLAN	430,055 SF
TOTAL CARS	1574
PARKING RATIO	3.6/1000 SF
NORTH R/W BUFFERS	34,000 SF
BUFFER WIDTH MIN. MAX	20' 85'
DISTURBED AREA	9.13 ACRES 37%